



POSTAL SERVICE

39 CFR Part 111

Holiday Mobile Shopping Promotion

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The Postal Service will revise the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM®) 709.3 to add a new temporary promotion during November of 2012 for Presorted and automation First-Class Mail® cards, letters, and flats, and Standard Mail® letters and flats bearing two-dimensional mobile barcodes or equivalent print technology.

DATES: *Effective date:* November 7, 2012.

FOR FURTHER INFORMATION CONTACT: Krista Becker at 202-268-7345, Bill Chatfield at 202-268-7278, John Rosato at 202-268-8597, or mobilebarcode@usps.gov.

SUPPLEMENTARY INFORMATION: On June 27, 2012, the Postal Service filed a notice with the Postal Regulatory Commission (Docket No. R2012-9) to temporarily reduce the prices for certain types of First-Class Mail and Standard Mail letters and flats containing a transactional two-dimensional barcode ("mobile barcode") readable by consumer mobile devices. The terms "mobile barcode or mobile barcodes" include equivalent mobile technologies such as watermarks or tags. On August 7, 2012, the PRC approved the Holiday Mobile Shopping Promotion ("Promotion"), which will take place between November 7, 2012 and November 21, 2012 ("promotion period"). The Promotion is designed to spur

mobile purchasing by putting mailers' mobile-optimized offers, coupons, and catalogs into the hands of customers for the Black Friday/Cyber Monday holiday shopping timeframe.

In this final rule, the Postal Service provides a description of the eligibility conditions for the Holiday Mobile Shopping Promotion, and the revised mailing standards to implement the promotion. The new standards will replace those for the Mobile Commerce and Personalization Promotion that have been in effect for the months of July and August 2012.

To be eligible, each mailpiece listed on a qualifying postage statement must have a mobile barcode on the outside of the piece or on the contents within the piece. When scanned, the mobile barcode must lead the recipient of the mailpiece to a mobile optimized shopping website that allows the recipient to purchase an advertised product on the mobile device (the sale of services will not qualify). Directional text must be printed near the mobile barcode to instruct the recipient to scan the image. Mobile barcodes that direct consumers to web pages that allow them to pay for prior or future purchases or encourage enrollment in online bill payment or paperless statement services are not eligible for the Promotion. Mailpieces with mobile barcodes that convey postage information, destination, sender, or a machinable serial number for security purposes also are not eligible for the discount.

Discount and Rebate Information

The Holiday Mobile Shopping Promotion provides an upfront price reduction of 2 percent on the eligible postage for qualifying mailpieces. Qualifying

mailings are Presorted and automation mailings of First-Class Mail cards, letters, and flats, and Standard Mail (including Nonprofit) letters and flats. Commingled, co-mailed, and combined mailings are allowed, but a separate postage statement is required for the mailpieces with mobile barcodes.

The price reduction will be taken off the eligible postage amount due at the time of mailing. The Promotion discount does not apply to single-piece First-Class Mail pieces including residual single-piece First-Class Mail pieces claimed on a postage statement for Presorted and automation mailings. The price reduction also does not apply to any Standard Mail residual pieces paying single-piece First-Class Mail prices.

Eligible mailings must be accompanied by electronic documentation, submitted via mail.dat, mail.xml, or Postal Wizard. The electronic documentation must identify the mail owner and mail preparer in the "by/for" fields for all mailings, either by the Customer Registration ID (CRID) or Mailer ID (MID) assigned by USPS®. Mailings of automation cards and letters, including Standard Mail letters (other than those with simplified addresses) claiming a carrier route automation letter price on a postage statement, or automation flats must have Intelligent Mail® barcodes. Mailpieces with POSTNET™ barcodes will not be eligible for the price reduction.

Mailers also may qualify for an additional 1 percent rebate on the pre-discount postage of their qualifying mailings if a portion of their orders is fulfilled via Priority Mail® between November 9, 2012, and December 31, 2012 ("fulfillment period"). Priority Mail packages must bear a unique trackable

barcode (i.e., Delivery Confirmation barcode or Intelligent Mail package barcode).

To claim the rebate, mailers will need to demonstrate that during the fulfillment period, the number of Priority Mail packages delivered to customers exceeded 0.5 percent ("package threshold") of the total number of qualifying mailpieces sent during the "promotion period" (November 7, 2012, through November 21, 2012.).

An example of the package threshold calculation is in the table below:

Promotion Period — Discounted Mail volume	100,000 pieces
Total postage prior to discount	\$21,000
2% Discount Applied	\$420
Total Postage after Discount applied	\$20,580
Fulfillment Threshold — 0.5% of Discounted Mail volume	500 packages
Actual number of packages fulfilled via Priority Mail with Delivery Confirmation (11/9 – 12/31)	1,225
Additional rebate earned	\$210

In the example above, if the mailer had sent 500 packages or less via Priority Mail with Delivery Confirmation during the fulfillment period, there would be no rebate. Rebate applications will be due to the program office no later than February 15, 2013. Any earned rebate will be deposited to the participant's mailing postage payment account.

Postage Payment Methods

Postage payment methods will be restricted to permit imprint, metered postage, or precancelled stamps. Pieces with metered postage must bear an exact amount of postage as stipulated by the class and shape of mail. For First-Class Mail letters, the affixed values below are for the first 2 ounces only, and for

First-Class Mail flats, for the first ounce only. Affixed postage values for metered mailings will be as follows:

First-Class Mail postcards	\$0.20
First-Class Mail automation and Presorted machinable letters	\$0.25
First-Class Mail nonmachinable letters	\$0.45
First-Class Mail automation and Presorted flats	\$0.35
Standard Mail Regular letters	\$0.12
Standard Mail Regular flats	\$0.13
Standard Mail Nonprofit letters	\$0.05
Standard Mail Nonprofit flats	\$0.06

Mailings with postage paid by metered or precancelled stamp postage will have the percentage discount deducted from the additional postage due, except for Value Added Refund mailings, which may include the amount of the discount with the amount to be refunded. The holiday mobile shopping promotion discount cannot be combined with other incentives, with the exception of the full-service Intelligent Mail barcode discount.

Promotion Dates and More Information

To participate in the promotion, customers must be registered for the Promotion on the Incentive Programs Service through the Business Customer Gateway at <https://gateway.usps.com/bcg/login.htm> and specify which permits and CRIDs will participate in the promotion. Registration opens September 15, 2012 and must be completed at least 2 hours prior to the first mailing. The Postal Service will implement the Promotion and temporary price reduction for mailings made on November 7, 2012, through November 21, 2012. Plant-verified drop shipment (PVDS) mailings accepted no later than November 21, 2012, may be

entered at destinations through December 6, 2012. Program requirements, including updated FAQs, are available on the RIBBS® website at <https://ribbs.usps.gov/index.cfm?page=mobilebarcode> or by email to mobilebarcode@usps.gov.

The Postal Service adopts the following changes to *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM), which is incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR Part 111 is amended as follows:

PART 111 — [AMENDED]

1. The authority citation for 39 CFR Part 111 continues to read as follows:

Authority: 5 U.S.C. 552(a); 13 U.S.C. 301-307; 18 U.S.C. 1692-1737; 39 U.S.C. 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

2. Revise the following sections of the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual (DMM):

Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM):

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700 Special Standards

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709 Experimental and Temporary Classifications

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[Revise the title of 3.0 as follows:]

3.0 Holiday Mobile Shopping Promotion

3.1 Program Description and Scope

[Revise 3.1 as follows:]

The holiday mobile shopping promotion provides a 2 percent discount on the prices of Presorted and automation pieces in mailings of First-Class Mail cards, letters, and flats, and Standard Mail (including Nonprofit) letters and flats that include a transactional two-dimensional mobile barcode and meet all the conditions in 3.0. The term "mobile barcode" also will include equivalent mobile technologies, such as watermarks and tags, that meet all the conditions in 3.0. Automation pieces must bear Intelligent Mail barcodes. The promotion is valid for mailings entered from November 7, 2012, through November 21, 2012. Plant-verified drop shipment (PVDS) mailings meeting all relevant standards may be accepted at origin as late as November 21, 2012, if they are entered no later than December 6, 2012 at the destination facility. Mailers also may qualify for an additional 1 percent rebate on the postage of their qualifying mailers under 3.3.

3.2 Eligibility Standards

[Revise 3.2 as follows:]

To be eligible for the 2 percent discount, customers must be registered for the promotion on the Incentive Programs Service through the Business Customer Gateway at <https://gateway.usps.com/bcg/login.htm>, and specify which permits

and CRIDs will participate in the promotion. Registration opens September 15, 2012, and must be completed at least 2 hours prior to the first mailing. Mailpieces must be mailed under the following conditions:

a. The mobile barcode or similar image must be on each mailpiece, either on the outside or printed on the contents of the piece. Brief instructions or directional copy must be printed near the mobile barcode to instruct the recipient to scan the barcode or image. See 3.4 for placement restrictions.

b. The mobile barcode must be readable by a mobile device and must lead to a mobile-optimized website. The mobile barcode must be relevant to the contents of the mailpiece. Scanning the barcode must lead the consumer to a webpage that allows the recipient to purchase an advertised product on the mobile device.

Barcodes with links that direct consumers to sites that allow purchase of a service, payment for prior or future purchases, or that encourage enrollment in online bill payment or paperless statement services are not eligible for the discount. Mailpieces with mobile barcodes that convey postage information, destination, sender, or a machinable serial number for security purposes also are not eligible for the discount.

c. The mailpieces with mobile barcodes must be one of the following:

1. Presorted or automation First-Class Mail cards, letters, or flats.

Automation pieces must bear Intelligent Mail barcodes.

2. Standard Mail (including Nonprofit) letters or flats. Automation pieces must bear Intelligent Mail barcodes.

- d. Postage must be paid by permit imprint or by affixing metered postage or a precanceled stamp to each piece of mail; the postage statement and mailing documentation must be submitted electronically. The mail owner's identity must be indicated in the electronic documentation ("eDoc"). The eDoc must identify the mail owner and mail preparer in the by/for fields, either by Customer Registration ID (CRID) or Mailer ID (MID) assigned by the USPS. All Presorted and automation pieces declared on a postage statement must contain a mobile barcode that qualifies for the discount.
- e. At the time of mailing, mailers must provide the USPS acceptance unit with an unaddressed sample of the mailpiece that contains a mobile barcode. Mailers also must retain, until February 15, 2013, a sample of each mailpiece claiming a discount.
- f. Other than a full-service Intelligent Mail discount (see 705.24), no other incentives apply for mailpieces claiming a discount under this promotion.
- g. Participants must agree to participate in a survey conducted either during or after the promotional period.
- h. Federal government official mailings under OMAS are not eligible for this promotion.
- i. The electronic equivalent of the mailer's signature on the postage statement will certify that each mailpiece claimed on the postage statement contains a qualifying mobile barcode.

[Revise the heading and text of 3.3 as follows:]

3.3 Discounts

Mailers must claim the 2 percent postage discount on the postage statement at the time the statement is electronically submitted. Mailings with postage affixed will deduct the discount amount from the additional postage due, except that mail service providers authorized to submit Value Added Refund ("VAR") mailings may include the discount in the amount to be refunded. Pieces with metered postage must bear an exact amount of postage as stipulated by the class and shape of mail. Affixed postage values for metered mailings may be found in the *Federal Register* notice preamble available at pe.usps.com. Provisions for additional postage for First-Class Mail pieces over 1 ounce are in 234.2.2a and 334.2.2a, and in 244.2.2 and 344.2.2 for Standard Mail pieces over 3.3 ounces. Mailers may also qualify for an additional one percent rebate on the postage of their qualifying mailpieces if a portion of their orders are fulfilled via Priority Mail between November 9, 2012, and December 31, 2012 (fulfillment period). To claim the rebate, mailers will need to demonstrate that during the fulfillment period, the number of Priority Mail packages (sent with a unique trackable barcode, such as Delivery Confirmation or Intelligent Mail package barcode) delivered to customers exceeded 0.5 percent of the total number of qualifying mailpieces mailed from November 7, 2012, through November 21, 2012.

[Add new 3.4 as follows:]

3.4 Mobile Barcode Placement

The mobile barcode cannot be placed on a detached address label (DAL or DML) or card that is not attached to the mailpiece. The mobile barcode cannot be placed in the (postage) indicia zone or the (Intelligent Mail) barcode clear zone

on the outside of the mailpiece. For letters, the barcode clear zone is defined in 202.5.1. For flats, the barcode clear zone for this purpose is the barcode itself and an area that extends an additional 1/8 inch from any part of the barcode. The indicia zone is defined as follows:

- a. The postage “indicia zone” is 2 inches from the top edge by 4 inches from the right edge of the mailpiece;
- b. When the postage indicium is not in the area described in 3.4a, the mobile barcode must not be placed within 2 inches of the actual postage indicium.

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We will publish an appropriate amendment to 39 CFR Part 111 to reflect these changes.

Stanley F. Mires,

Attorney, Legal Policy and Legislative Advice.